



The voice of mid-size communications companies

November 16, 2016

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Re: *Ex Parte* Communications: Connect America Fund, WC Docket No. 10-90**

Dear Ms. Dortch:

On November 14, 2016, Genny Morelli of ITTA spoke by telephone separately with Travis Litman of the Office of Commissioner Rosenworcel, Nick Degani of the Office of Commissioner Pai, Amy Bender of the Office of Commissioner O’Rielly, and Carol Matthey of the Wireline Competition Bureau, regarding the above-captioned proceeding.<sup>1</sup>

In these discussions, Ms. Morelli reiterated the points expressed in ITTA’s November 11, 2016 *ex parte* letter concerning what measures should be adopted to address the high level of interest in the model-based support plan adopted in the *Rate-of-Return Reform Order*.<sup>2</sup> Among these points are that there is sound justification for the Commission to allocate sufficient additional funding for the A-CAM plan in order to overcome the entire budgetary shortfall, but that if the Commission for one reason or another is unable to fully fund the A-CAM plan, it should allocate an additional \$95 million of funding annually for model-based support,<sup>3</sup> and in no event should the Commission allocate anything less than the additional \$50 million contemplated in the *Rate-of-Return Reform Order*.<sup>4</sup> In addition, the Commission should act expeditiously to address the budget shortfall resulting from the success of the model-based plan, such that the A-CAM plan can become effective by January 1, 2017.

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<sup>1</sup> Wireline Competition Bureau Announces Results of Rate-of-Return Carriers that Accepted Offer of Model Support, Public Notice, DA 16-1246 (WCB Nov. 2, 2016) (*Public Notice*).

<sup>2</sup> See *Connect America Fund; ETC Annual Reports and Certifications; Developing a Unified Intercarrier Compensation Regime*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087 (2016) (*Rate-of-Return Reform Order*).

<sup>3</sup> This would enable all carriers that accepted such support to receive \$146.10 per location, the same amount of per-location support that the Connect America Phase II program provides to price cap carriers. See *id.* at 3113, para. 62 n.136. With this amount of additional funding, carriers that would receive less money with model-based support than under legacy mechanisms would still receive the \$200 per location allotted in the *Rate of Return Reform Order*. See *id.* at 3107, para. 52.

<sup>4</sup> See *id.* at 3112, para. 62. Should the Commission allocate an additional \$50 million (i.e., for a total of \$200 million/year), the per-location cap would be \$120.

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Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs  
Vice President, Regulatory Affairs

cc: Travis Litman  
Nicholas Degani  
Amy Bender  
Carol Matthey